

News

United States
Department
of Labor



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APRIL 2004 CONSUMER PRICE INDEX HOUSTON-GALVESTON-BRAZORIA, TEXAS

Retail prices in the Houston-Galveston-Brazoria metropolitan area rose 0.7 percent during March/April after advancing 2.7 percent during the previous bimonthly period, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. These movements followed a decline of 1.2 percent in the final two months of 2003. Acting Regional Commissioner Hal Corley stated that increases in the transportation and housing categories were the biggest factors in the current gain. The Regional Commissioner noted that because these data are not adjusted for seasonal price variation, consumers and businesses should be cautious in drawing conclusions about long-term retail price trends from short-term changes in the Consumer Price Index.

The Houston Consumer Price Index for All Urban Consumers (CPI-U) stood at 169.7 (1982-84=100) in April, 4.4 percent above the year-ago level. The 4.4-percent rise in the index marked the fastest 12-month rate of gain since the year ended in February 2003 when prices advanced 4.7 percent. The index means that a typical market basket of goods and services that cost \$100.00 for Houston consumers in 1982-84, cost \$169.70 last month.

The transportation index rose 1.9 percent in March/April accounting for nearly one-half of the total CPI increase. This followed a 3.1-percent jump in January/February. As in the earlier period, higher gasoline prices were responsible for the bulk of the current gain. The motor fuel index rose 6.7 percent during March/April to a level of 144.5, surpassing the previous peak set in May 2001. The average price of a gallon of gasoline was \$1.717 in April. Over the year, the cost of gasoline was up 8.0 percent. However, as a result of much slower rates of gain – or even declines – in many of the other transportation items, the overall cost of transportation was just 1.7 percent above a year ago.

Houston Consumer Price Index – April 2004 (Continued)

The housing index rose 0.6 percent during March/April, after surging 4.3 percent during the first two months of the year. Nearly all of the latest increase resulted from a 1.2-percent climb in shelter costs. Within shelter, the largest contributor was the cost of lodging away from home, specifically higher charges for hotels and motels. Owners' equivalent rent advanced 0.2 percent in March/April while renters' costs edged up 0.1 percent. Also contributing to the overall housing gain was a 0.1-percent rise in electricity costs. In contrast, prices for household furnishings and operations fell 2.1 percent during the bimonthly period. During the year ended in April, electricity prices were up 10.3 percent and natural gas prices rose 12.7 percent. During the same period, shelter costs increased 8.3 percent due in large part to substantially higher costs for lodging away from home. Annual increases were smaller for homeowners' costs (3.3 percent) as well as renters' costs (1.7 percent). The total housing index rose 7.3 percent over the year.

The recreation, apparel, and other goods and services categories also registered increases during March/April. The cost of recreation rose 1.6 percent as higher prices for admissions and cable/satellite television fees more than offset declines for audio equipment and toys. Over the year, the recreation index rose 4.6 percent. The cost of apparel also advanced 4.6 percent during the last 12 months. In March and April, clothing prices were up 1.1 percent with girls' apparel and selected men's items providing the biggest momentum. The cost of other goods and services increased 0.6 percent in the latest bimonthly period after registering no change in January/February. Over the year, the index was up 2.7 percent.

The three remaining categories posted slight declines during the latest bimonthly period and helped to slow the overall CPI advance. Medical care costs fell 0.5 percent, their first bimonthly decrease since January/February 2003. Despite the latest dip, medical care prices over-the-year still rose 4.4 percent. Similarly, costs for food and beverages slid 0.1 percent in March/April, but were still 3.7 percent above the year-ago level. Grocery store prices fell 1.2 percent during March/April with lower prices noted for beef and veal, eggs, fresh vegetables, and carbonated drinks. These declines were nearly balanced by increases in the cost of food away from home and alcoholic beverages, up 0.8 percent and 2.3 percent, respectively. Like food and beverages, the index for education and communication slipped 0.1 percent in March/April, the third bimonthly decline in the last year. Primarily as a result of lower charges for selected telephone services and personal computers, the education and communication index fell 0.5 percent during the previous year – the only major category to register an annual decline.